

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

ESSINTIAL ENTERPRISE	:	No. 1:22cv1507
SOLUTIONS, LLC,	:	
Plaintiff	:	(Judge Munley)
v.	:	
THE UNITED STATES SMALL	:	
BUSINESS ADMINISTRATION;	:	
ISABELLA CASILLAS GUZMAN,	:	
in her official capacity as	:	
Administrator of the Small	:	
Business Administration; JANET	:	
YELLEN, in her official capacity	:	
as United States Secretary of	:	
Treasury; and THE UNITED	:	
STATES OF AMERICA,	:	
Defendants	:	

 ORDER

AND NOW, to wit, this 30 day of December 2024, the plaintiff's summary judgment (Doc 25) is **GRANTED** in part. The motion is granted to the extent that the decision of the Small Business Administration ("SBA") is overturned as arbitrary and capricious. The law does not support the SBA's conclusion that independent contractor expenses cannot be included in plaintiff's "payroll costs" of the Loan. The final decision and order regarding forgiveness of the plaintiff's PPP loan is **OVERTURNED** and **REMANDED** to the SBA for further proceedings consistent with this opinion. Specifically, the SBA is instructed that denial of

forgiveness of the Loan on the basis that it included payment to independent contractors is not proper. The SBA should re-evaluate plaintiff's application for forgiveness and include independent contractor expenses as an appropriate addition to payroll costs. The plaintiff's motion is **DENIED** in all other respects. The defendants' motion for summary judgment (Doc. 31) is **DENIED**. The Clerk of Court is directed to close this case.

BY THE COURT:

JUDGE JULIA K. MUNLEY  
United States District Court